



Natural Resources Conservation Service
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February 2, 2009

PENNSYLVANIA BULLETIN NO. PA440-9-02

SUBJECT: PGM – EQIP guidance on Ineligible Payments for Boundary or Property Line Fence and Waiver for Conversion of Crop Land and Hay Land to Pasture Land

Purpose: To provide guidance on eligible and ineligible costs for Fence payments

Expiration Date: December 31, 2009

The following policies apply statewide when utilizing EQIP financial assistance to address resource concerns on grazing lands with the Conservation Practice **Fence (382)**.

According to National Policy under Conservation Programs Manual, Section 515.91c Establishing Payment Schedules, boundary or property line fences are one of the ineligible cost categories for EQIP payments because they are a necessary agricultural production cost.

Boundary fencing is sometimes referred to as exterior fencing. Boundary fencing can include fencing on property lines around the perimeter of an area. Examples of ineligible boundary fence include:

- √ Any costs associated with fence to separate production areas or activities are ineligible for EQIP payment.
- √ Any costs associated with Boundary Fence used for separating ownership of animals or property, or excluding animals from transportation networks, residential, commercial, or industrial areas are ineligible for payment.
- √ Costs to upgrade existing fence on pastures or grazed land are ineligible for payment. Existing fence does not have to meet NRCS Fence standards or specifications for Fence to be allowed in a conservation management system.

Costs that are eligible include:

- √ Costs associated with interior fence that is an integral part of a conservation management system, such as a prescribed grazing system that improves grazing land health.
- √ Costs for Boundary Fence installed around the perimeter of crop land and hay land only when being converted to permanent pasture land, not previously part of an existing grazing system, and not on a property boundary line. NRCS in PA has been granted a special waiver by the National Office for EQIP payments made for Boundary Fences that meet these conditions.



√ Costs associated with Boundary Fence installed around new grazing systems for the purpose of protecting the following natural resource areas outside of the grazing system on the customer's own land from livestock damage:

- 1) Water Courses and Bodies,
- 2) Wetlands,
- 3) Forest Lands, Grazed Forest Lands, and Grass Lands that have a Pennsylvania Natural Diversity Index (PNDI) potential conflict,
- 4) Lands that are protected by Conservation Easements,
- 5) Waste Storage Facilities, Waste Treatment Areas, Heavy Use Areas, and similar existing Conservation Practices,
- 6) and other environmentally sensitive areas.

Resource concerns and adequate conservation treatments on land under EQIP contract will be properly documented on the Environmental Evaluation Worksheet CPA 52.

Whenever EQIP funds are used for Interior Fencing in a grazing system, the required prescribed grazing plan must include all of the grazed lands utilized by the livestock in the rotation, use of the Prescribed Grazing Practice (528), and documentation that any additional acreage of grazing land is needed to support the existing livestock herd.

EQIP funds shall not be used to construct Interior or Boundary Fencing on lands planned as Forest Land. Fence installed on Forest Land used predominantly for shading or temporarily sheltering livestock or other production purposes, even if done without damaging soil and water resources, is ineligible for EQIP payment.

/s/ Craig R. Derickson

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